UNITED
NATIONS

DP

Governing Council
of the
United Nations
Development Programme

Distr.
GENERAL

DP/CP/CPR/NOTE/3
21 March 1991

ORIGINAL: ENGLISH

Thirty-eighth session
3-21 June 1991, New York
Item 5 (a) of the provisional agenda

PROGRAMME PLANNING

Country and intercountry programmes and projects

THIRD COUNTRY PROGRAMME FOR CHINA

Note by the Administrator

I. THE PROGRAMMING PROCESS

1. The third country programme for the People's Republic of China for the period 1991-1995 (DP/CP/CPR/3) is the fruit of a close partnership between the Government of China and the United Nations Development Programme (UNDP). Frequent and detailed discussions have been conducted by the Government with UNDP. Detailed preparation of the programme involved a series of consultations during 1989 with key line ministries and the national planning authorities, who gave specific guidance at a thematic level for the UNDP-supported programme so it would relate directly to national priorities. UNDP, the Joint Consultative Group on Policy partners and those specialized agencies of the United Nations system with offices in Beijing consult regularly on programming matters. Thus comments from the resident offices of the agencies and from many headquarters were available throughout the programme preparation. The embassies of those countries which have traditionally been the largest bilateral donors to China have been consulted and kept informed of the preparation of the programme on a continuing basis.

2. Two workshops involving Government and UNDP staff were conducted within the country in order to translate the programme approach more effectively into action within the realities of the Chinese context. The UNDP programme has moved over the years from a number of ad hoc projects to, in this programme, clusters of projects forming thematic and sectoral programmes. These programmes are to be characterized, inter alia, by their national programme objectives and programme targets.

3. The findings and recommendations of the mid-term review of the second country programme (1986-1990) served as the starting-point for development and design of the programme as a whole. The review introduced macroeconomic policy research and economic reform as a theme in the programme, and increased assistance both to the agriculture sector and training of managerial personnel. It was recognized that support should be expanded for use of Technical Cooperation among Developing Countries (TCDC), Transfer of Knowledge through Expatriate Nationals (TOKTEN), the United Nations Volunteers (UNV) and Senior Technical Adviser Recruitment (STAR). Additionally, it was agreed that the Government was able to assume more responsibility in the management of increased national execution of the UNDP programme. These areas of concentration and issues are to be continued and amplified in this programme.

4. The outcome of this process is a programme which, in addition to being sound in design, has received support and endorsement at the level of the State Council of the People's Republic of China.

5. Since 1979, when UNDP assistance to China first began, great changes have taken place within the country, and the UNDP programme has evolved to meet the concurrent changing needs for technical assistance. At the outset the role of UNDP, as the first multilateral development agency operating in China, was to provide China with access to technologies that had advanced elsewhere. In order to achieve this, the first country programme (1982-1986) was geared to introducing new technologies over a broad spectrum and providing exposure and skill training to key personnel in virtually all sectors of the economy. As China developed in the mid-1980s, the needs for technical assistance were refined. The second country programme, although still very broad, introduced human resources development as a major theme, and after the mid-term review it targeted greater attention on economic reform and policy research as well as on agricultural production. Management issues became increasingly important.

6. The third country programme is the next stage in this evolution of UNDP's role. It is more focused than its predecessors, with interventions that address critical constraints facing China and that have a more coherent approach to capacity development. The programme period coincides with the period for the Eighth National Five-Year Plan (1991-1995), to which it is closely linked.

II. ANALYTICAL COMMENTARY ON THE COUNTRY PROGRAMME

7. With 22 per cent of humanity, China's population can be expected to increase by about 85 million during the period of the new country programme. The Government attaches highest priority to continuing to raise food production levels and addressing the imperatives dictated by increased competition for essential resources, while at the same time fulfilling the growing expectations for better social services and demand for consumer goods in a rapidly developing society.

8. Much has been achieved as a result of reforms since 1978. In order to consolidate these achievements and to add further impetus to the development

process, the Government has determined that the policy of economic reform and opening to the outside world should continue.

9. The third country programme addresses these issues. Based on the development strategies of the Government, and designed in a programmatic manner, it has delineated fundamental areas in which an international dimension can most effectively be brought to bear on national programmes to eliminate critical constraints to China's development. Despite the enormous size of the country and the complexity of the problems, the country programme proposed by the Government has been based on clearly identified national needs and priorities which permeate the programme areas and shape the outcomes of each programme.

10. In order to achieve China's ambitious goals, improved management in the economic and public administration spheres is a theme of the third country programme and constitutes a common thread which runs through all of its areas of concentration and most of its programmes. For example, rational pricing structures and fiscal incentives are as critical to raising food production as the development and effective application of higher quality agricultural inputs. Economic management is therefore tackled as an integral part of most of the interventions outlined in the country programme. The natural corollary of this is the focus on strengthening national management capabilities in all sectors. This, too, constitutes a major theme which cuts across all the areas of concentration of the programme.

11. The drive to achieve sustainable development by addressing environmental issues is another fundamental theme permeating this programme. Poverty alleviation and outreach to the poorer and more remote communities and the added importance attached to human and social development is another theme which is seen as essential in assisting the Government in meeting the challenges it faces in the forthcoming years. The programme will attempt to mainstream further the concerns of women into the development process and take into account gender issues in its design and implementation.

12. Even before the Governing Council adopted decision 90/34 on 23 June 1990, the planning process for preparation of the country programme for China was focusing on many of the issues reflected in paragraphs 6 and 7 of the decision; the country programme therefore reflects these themes as cornerstones of the programme. Additionally, TCDC is considered by the Chinese Government as a mainstream modality for implementation of the whole programme, and technology for development is considered to be a fundamental feature of UNDP assistance. These two are thus overriding aspects of the programme.

13. With respect to human resources development, the programme is focused on basic education in line with the Declaration of the World Conference on Education for All, held at Jomtien, Thailand, in 1990, in support of which UNDP has a global mandate. The fight against the acquired immunodeficiency syndrome (AIDS) also figures prominently, with UNDP collaborating with the World Health Organization in the mobilization of resources for the Government's medium-term programme for combating the spread of the disease. UNDP will also bring to the programme concerns relating to the socio-economic impact of AIDS. In support of the broad

global theme of the International Drinking Water Supply and Sanitation Decade, the country programme features a large programme devoted to the effective and efficient use of scarce water resources. This is coupled with a programme for extending low-cost water supply systems to the poorest sections of the population in remote areas of the country in partnership with the World Bank.

14. Programmes in general are targeted at the increase and improvement of the indigenous pool of talent in China in promoting increased self-reliance in social and economic development. Taking into account UNDP's comparative advantage, the human resources base will be strengthened primarily through the provision of advisory services (international and national) and training (in-country and abroad).

15. As noted above, the third country programme is closely linked to the Eighth National Five-Year Plan. As the specific operational details and the implications for technical cooperation were not fully formulated at the time of the country programming exercise, the country programme does not specify a provisional distribution of resources for each area of concentration. These allocations will be made as the individual programmes and areas of thematic emphasis are elaborated during 1991-1992.

III. MANAGEMENT OF PROGRAMME IMPLEMENTATION

16. The strengthening of the capacity of the Government to manage its own development is very much at the heart of the programme. It is clearly stated in the country programme (DP/CP/CPR/3) that Chinese national, i.e. Government, execution will become the normal mode of execution in the future; that Government will continue actually to implement a significant portion of the country programme; and that the agencies will continue to have the opportunity to play an important role in the project cycle. Modalities which have proven themselves in China, such as use of non-resident chief technical advisers, advisers obtained through TCDC and TOKTEN modalities, and short-term consultants rather than long-term resident experts, will continue to play an important role in implementation.

17. National execution of such a large and complex programme places a particular burden of responsibility for technical and logistical backstopping on the Government. In order to ensure that the programme is efficiently managed, highly qualified national and international consultants will be called upon to provide advice and essential additional backstopping whenever necessary. With UNDP assistance, systems are also being established within the Government to enable it to meet better its additional responsibilities relating to the international recruitment of consultants and procurement of equipment.

18. Activities will be monitored at the programme and thematic levels; progress reports, in-depth evaluations and technical reviews will be geared to assessing impact at the level of the programme or multisectoral themes. National programme directors are to be appointed who will take overall responsibility for the implementation of the multisectoral and multi-ministerial programmes identified in the country programme.

19. It has been recognized that the intention to incorporate the multisectoral themes within programmes will require a considerable effort during a transitional period. In order to ensure that they are indeed effectively incorporated, national and international consultants will be used to develop a strategy for their integration at the outset of the programme.

20. UNDP expects that considerable national cost sharing of the programme will continue in addition to the substantial inputs in kind which normally have been forthcoming from institutions receiving assistance under the China programme. The contributions will provide a concrete demonstration of national commitment to the programme and its components.

IV. RECOMMENDATION OF THE ADMINISTRATOR

21. In summary, the third country programme addresses many of the fundamental issues facing China at the present time while also addressing significant global themes designated by the Governing Council for special attention by UNDP. It is designed in a manner to ensure the effective and efficient use of UNDP resources.

22. The Administrator therefore recommends that the Governing Council approve the third country programme for China.